12/10/85

TABLE 2

ESTIMATED REGIONAL SOURCES OF DOMESTIC CONSUMPTION OF LUMBER (NET IMPORTS ALLOCATED)

(MILLION BOARD FEET)

	SOUTHERN PINE	DOUGLAS FIR	WESTERN PINE	CALIFORNIA REDWOOD	OTHER SOFTWOOD	TOTAL SOFTWOOD	SOUTHERN HARDWOOD	OTHER** HARDWOOD	TOTAL HARDWOOD	TOTAL LUMBER
1975	7,075	9,561	9,220	1,588	2,865	30,309	2,722	3,069	5,791	36,100
1976	7,641	12,069	10,820	1,981	3,575	36,086	3,054	3,387	6,441	42,527
1977	8,774	14,081	11,626	2,026	4,302	40,809	3,158	3,732	6,890	47,699
1978	9,096	15,133	11,559	1,849	5,003	42,640	3,242	3,755	6,997	49,637
1979	9,060	14,248	10,353	1,729	5,018	40,608	3,342	3,597	6,939	47,547
1980	7,757	11,461	8,509	1,563	4,542	33,832	3,028	3,244	6,272	40,104
1981	8,177	10,828	7,760	1,463	3,836	32,064	3,202	2,653	5,855	37,919
1982	8,232	10,381	7,316	1,327	3,917	31,173	2,031	3,066	5,098	36,270
1983*										
1ST QUARTER	2,442	3,290	1,982	359	1,150	9,223	487	810	1,297	10,520
2ND QUARTER	2,698	3,695	2,333	413	1,300	10,439	505	806	1,311	11,750
3RD QUARTER	2,644	3,638	2,296	403	1,273	10,254	572	858	1,430	11,684
4TH QUARTER	2,449	3,486	2,237	383	1,271	9,826	558	802	1,360	11,186
TOTAL YEAR	10,233	14,108	8,848	1,558	4,995	39,742	2,121	3,276	5,397	45,138
1984*										
1ST QUARTER	2,528	3,854	2,284	416	1,305	10,387	588	781	1,369	11,756
2ND QUARTER	2,771	3,965	2,564	425	1,404	11,128	576	821	1,397	12,525
3RD QUARTER	2,725	4,070	2,430	410	1,464	11,099	592	751	1,343	12,442
4TH QUARTER	2,546	3,782	2,329	393	1,353	10,402	564	679	1,242	11,645
TOTAL YEAR	10,570	15,672	9,606	1,643	5,526	43,017	2,320	3,031	5,351	48,368
1985*										
1ST QUARTER	2,377	3,640	2,002	382	1,304	9,704	696	914	1,610	11,314
2ND QUARTER	2,923	4,344	2,582	491	1,643	11,983	742	983	1,726	13,709
3RD QUARTER	2,647	4,127	2,663	434	1,526	11,399	685	830	1,515	12,913
4TH QUARTER										
TOTAL YEAR	7,947	12,111	7,247	1,307	4,473	33,086	2,123	2,727	4,850	37,936

* SUBJECT TO REVISION

** INCLUDES APPALACHIAN HARDWOOD AND ALL OTHERS.

SOURCE: NATIONAL FOREST PRODUCTS ASSOCIATION

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

12/10/85

TABLE 3

IMPORTS OF LUMBER \1

(MILLION BOARD FEET)

	SOFTWOODS											
	DOUGLAS FIR	OTHER FIR	HEMLOCK	SPRUCE	PINE	CEDAR	OTHER	SPECIAL \2 PRODUCTS	TOTAL SOFTWOOD	TOTAL \3 HARDWOOD	RAILROAD TIES (SAWED)	TOTAL LUMBER
1975	477.0	36.8	726.2	2,989.0	1,033.3	328.3	6.0	94.8	5,711.4	224.1	12.4	5,947.9
1976	744.2	91.3	1,083.8	4,116.0	1,305.4	480.2	8.7	121.2	7,950.8	228.3	8.2	8,187.3
1977	990.7	299.4	1,219.2	5,361.6	1,795.5	537.7	22.2	154.0	10,380.3	341.1	7.4	10,728.8
1978	976.2	508.9	1,219.8	6,312.9	1,916.9	657.5	41.8	190.6	11,824.6	361.4	12.3	12,198.3
1979	827.3	588.3	912.3	6,740.4	1,182.5	637.8	35.4	193.7	11,117.7	376.2	29.3	11,523.2
1980	559.0	440.8	627.8	6,167.9	1,023.9	543.4	20.7	156.6	9,540.1	293.2	31.3	9,864.6
1981	483.3	534.7	467.0	6,010.7	941.7	574.4	17.0	175.9	9,204.7	291.1	24.9	9,520.7
1982	504.3	460.7	293.9	6,341.2	801.6	539.0	28.8	149.4	9,118.9	211.0	26.2	9,356.0
1983												
1ST QUARTER	137.7	149.8	108.5	1,955.7	226.8	170.4	8.5	54.0	2,811.4	55.4	1.6	2,868.4
2ND QUARTER	132.5	181.0	85.0	2,148.9	240.0	157.9	24.0	61.7	3,031.0	61.0	4.0	3,096.1
3RD QUARTER	184.3	225.9	123.6	2,081.1	234.0	178.2	28.0	67.5	3,122.7	63.6	3.8	3,190.0
4TH QUARTER	145.8	152.0	99.5	2,168.7	219.0	157.6	13.0	56.8	3,012.3	80.5	3.2	3,095.9
TOTAL YEAR	600.3	708.6	416.7	8,354.4	919.8	664.1	73.5	239.9	11,977.4	260.5	12.5	12,250.4
1984												
1ST QUARTER	140.1	151.1	135.0	2,152.8	240.7	190.9	9.4	75.6	3,095.6	85.7	3.1	3,184.4
2ND QUARTER	137.1	168.6	96.8	2,390.5	251.8	136.3	9.0	59.3	3,249.4	87.1	6.6	3,343.1
3RD QUARTER	147.5	264.4	140.5	2,551.2	225.8	200.9	8.9	72.8	3,612.0	73.9	8.0	3,693.9
4TH QUARTER	178.2	151.0	142.6	2,377.0	183.4	176.4	7.7	67.3	3,313.2	81.0	6.5	3,400.7
TOTAL YEAR	603.0	765.1	514.9	9,471.4	901.6	704.1	35.0	275.0	13,270.2	327.7	24.2	13,622.2
1985												
1ST QUARTER	154.6	189.1	171.1	2257.0	165.8	210.2	26.9	66.9	3241.6	105.9	3.2	3350.7
2ND QUARTER	205.9	200.0	185.6	2907.4	237.8	233.3	10.2	89.2	4069.3	96.1	11.8	4177.2
3RD QUARTER	247.4	236.0	151.0	2685.4	215.0	203.7	14.0	89.3	3841.8	85.3	7.7	3934.8
4TH QUARTER												
TOTAL YEAR	608.0	625.0	507.7	7,849.8	618.6	647.3	51.1	245.3	11,152.7	287.3	22.7	11,462.7

EXPORTS OF LUMBER \1

(MILLION BOARD FEET)

	SOFTWOODS											
	DOUGLAS FIR	SOUTHERN PINE	PONDEROSA/ WHITE PINE	REDWOOD	HEMLOCK	SPRUCE	CEDAR	OTHER	SPECIAL \2 PRODUCTS	TOTAL SOFTWOOD	TOTAL \3 HARDWOOD	RAILROAD TIES \4 (SAWED)	TOTAL \5 LUMBER
1975	505.1	67.5	177.0	37.4	317.5	138.8	35.7	74.2	----	1,373.2	165.3	75.6	1,614.1
1976	571.7	141.4	214.0	61.3	294.2	165.5	60.7	75.7	----	1,584.5	225.5	30.9	1,840.9
1977	488.3	157.8	195.9	48.1	264.2	150.7	61.3	47.0	----	1,412.4	226.1	19.2	1,657.7
1978	456.9	130.5	136.9	34.3	270.5	132.4	59.2	120.4	23.1	1,968.9	320.1	25.8	1,714.8
1979	505.4	195.1	147.7	30.1	463.7	151.1	56.0	179.4	16.2	1,744.7	306.6	90.5	2,141.8
1980	520.8	261.4	168.1	27.3	511.2	136.4	62.0	248.6	20.2	1,956.0	378.6	128.3	2,462.9
1981	509.0	211.2	223.8	37.7	390.2	141.4	56.9	280.6	16.8	1,877.6	405.7	88.8	2,372.1
1982	457.2	231.8	140.8	22.5	391.7	124.9	40.5	206.0	14.8	1,630.2	356.2	34.4	2,020.8
1983													
1ST QUARTER	134.3	54.1	40.8	5.0	95.2	35.2	11.8	54.8	2.7	434.0	100.5	9.2	543.7
2ND QUARTER	170.2	57.0	57.5	6.4	95.0	27.2	12.8	56.2	2.9	487.2	121.0	16.4	624.6
3RD QUARTER	121.6	46.3	53.6	6.6	86.2	28.1	12.0	50.8	2.0	407.2	126.0	10.6	543.8
4TH QUARTER	133.1	51.0	45.4	6.1	99.8	23.3	10.2	44.1	3.1	416.1	130.8	11.1	557.9
TOTAL YEAR	559.3	208.4	197.3	24.0	376.2	113.9	46.8	207.8	10.8	1,744.5	478.2	47.2	2,269.9
1984													
1ST QUARTER	136.8	39.1	46.9	5.5	77.8	24.9	10.7	42.8	2.9	387.5	117.4	30.9	535.9
2ND QUARTER	159.3	53.5	45.0	15.1	81.8	19.8	10.1	56.0	3.8	444.2	129.3	9.4	582.9
3RD QUARTER	131.7	35.7	46.0	5.2	84.8	25.6	9.7	47.8	3.1	389.7	112.4	24.6	526.7
4TH QUARTER	104.3	44.1	36.3	4.4	93.1	27.7	8.7	56.1	3.3	377.9	107.4	19.7	505.0
TOTAL YEAR	592.1	172.4	174.1	30.1	337.4	98.1	39.2	202.7	13.1	1,599.3	466.5	84.6	2,150.4
1985													
1ST QUARTER	117.5	37.0	37.8	3.4	101.5	21.1	6.3	47.0	2.8	374.4	102.7	3.6	480.7
2ND QUARTER	129.9	44.4	42.1	3.8	83.2	17.2	7.0	55.1	2.8	385.4	97.3	7.7	490.4
3RD QUARTER	113.1	39.5	44.4	3.5	78.2	14.2	6.4	65.5	3.1	368.0	96.3	17.1	481.3
4TH QUARTER													
TOTAL YEAR	360.6	120.9	124.3	10.7	262.9	52.4	19.6	167.6	8.7	1,127.8	296.2	28.4	1,452.4

1. Sawed timber, board planks and scantlings, flooring, box shook and railroad ties.
2. Includes siding and softwood lumber drilled or treated. Beginning 1978 includes siding and flooring. For exports, figures not availe prior to 1978.
3. Includes hardwood flooring, siding and hardwood lumber drilled or treated.
4. Includes a small amount of hewn railroad ties. Beginning with 1978 includes mine timber.
5. Includes box shook: 1973 - 4.4 mbf; 1974 - 6.1 mbf; 1975 - 4.1 mbf; 1976 - 6.0 mbf; 1977 - 5.8 mbf. Beginning with 1978 box shook is reported in appropriate species.

SOURCE: Foreign Agricultural Service, U.S. Department of Agriculture; Forest Products Division, BIE, U.S. DOC, from data of the Foreign Trade Division, Bureau of Census.

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

12/10/85

TABLE 4

ESTIMATED GROSS MILL STOCKS OF LUMBER AND UNFILLED ORDERS FOR LUMBER BY REGION

(MILLION BOARD FEET)

	SOUTHERN PINE	DOUGLAS FIR	WESTERN PINE	CALIFORNIA REDWOOD	OTHER SOFTWOOD	TOTAL SOFTWOOD	SOUTHERN HARDWOOD	OTHER** HARDWOOD	TOTAL HARDWOOD	TOTAL LUMBER
GROSS MILL STOCKS										
DECEMBER 31ST										
1975	1,134	920	1,270	477	262	4,063	448	427	875	4,938
1976	1,245	949	1,315	434	271	4,214	453	432	885	5,099
1977	1,192	964	1,329	359	265	4,109	412	385	797	4,906
1978	1,197	903	1,295	377	260	4,032	422	398	820	4,852
1979	1,225	918	1,379	435	273	4,230	556	547	1,105	5,335
1980	1,424	912	1,185	434	273	4,228	780	792	1,572	5,800
1981	1,451	912	1,149	385	270	4,167	841	886	1,727	5,894
1982	1,741	862	1,055	336	276	4,270	775	764	1,539	5,809
1983*										
1ST QUARTER	1,743	1,060	1,158	391	295	4,647	736	687	1,423	6,070
2ND QUARTER	1,706	1,000	1,158	377	288	4,529	682	579	1,261	5,790
3RD QUARTER	1,711	1,013	1,269	349	292	4,634	688	590	1,278	5,912
4TH QUARTER	1,708	994	1,279	334	291	4,606	708	626	1,334	5,940
1984*										
1ST QUARTER	1,801	1,135	1,405	348	310	4,999	710	632	1,342	6,341
2ND QUARTER	1,808	1,136	1,459	352	312	5,047	722	654	1,376	6,423
3RD QUARTER	1,782	1,083	1,368	344	304	4,881	765	721	1,486	6,367
4TH QUARTER	1,808	914	1,257	325	290	4,594	795	761	1,556	6,150
1985*										
1ST QUARTER	1,736	930	1,343	376	293	4,678	805	982	1,787	6,465
2ND QUARTER	1,836	897	1,308	351	295	4,687	838	1,038	1,876	6,563
3RD QUARTER	1,846	900	1,297	360	296	4,699	856	1,061	1,917	6,616
4TH QUARTER										
ESTIMATED UNFILLED ORDERS										
DECEMBER 31ST										
1975	453	550	538	204	256	2,001	260	177	437	2,438
1976	450	634	554	227	264	2,129	243	157	400	2,529
1977	488	565	590	271	267	2,181	292	214	506	2,687
1978	535	553	469	234	259	2,050	332	253	585	2,635
1979	553	529	403	138	246	1,869	256	163	419	2,288
1980	499	499	326	111	230	1,665	197	90	287	1,952
1981	544	429	219	111	222	1,525	225	121	346	1,871
1982	590	612	324	150	230	1,906	221	144	365	2,271
1983*										
1ST QUARTER	730	701	421	128	260	2,240	216	136	352	2,592
2ND QUARTER	694	649	431	112	254	2,140	219	141	360	2,500
3RD QUARTER	684	638	443	118	252	2,135	222	148	370	2,505
4TH QUARTER	792	674	410	141	260	2,278	253	182	435	2,713
1984*										
1ST QUARTER	692	824	457	121	263	2,357	289	228	517	2,874
2ND QUARTER	664	633	373	78	246	1,994	235	182	417	2,411
3RD QUARTER	640	650	414	89	248	2,041	212	157	369	2,410
4TH QUARTER	561	561	407	108	240	1,877	222	167	389	2,266
1985*										
1ST QUARTER	705	587	464	128	252	2,136	241	160	401	2,537
2ND QUARTER	573	555	503	116	246	1,993	241	163	404	2,397
3RD QUARTER	618	563	460	89	246	1,976	227	151	378	2,354
4TH QUARTER										
UNFILLED ORDERS IN RELATION TO GROSS MILL STOCKS (Unfilled Orders As Percentage of Mill Stocks)										
1975	40%	60%	42%	43%	98%	49%	58%	41%	50%	49%
1976	36%	67%	42%	52%	97%	51%	54%	36%	45%	50%
1977	41%	59%	44%	75%	101%	53%	71%	56%	63%	55%
1978	45%	61%	36%	62%	100%	51%	79%	64%	71%	54%
1979	45%	58%	29%	32%	90%	44%	46%	30%	38%	43%
1980	35%	55%	28%	26%	84%	39%	25%	11%	18%	34%
1981	37%	47%	19%	29%	82%	37%	27%	14%	20%	32%
1982	34%	71%	31%	45%	83%	45%	29%	19%	24%	39%
1983*										
1ST QUARTER	42%	66%	36%	33%	88%	48%	29%	20%	25%	43%
2ND QUARTER	41%	65%	37%	30%	88%	47%	32%	24%	29%	43%
3RD QUARTER	40%	63%	35%	34%	86%	46%	32%	25%	29%	42%
4TH QUARTER	46%	68%	32%	42%	89%	49%	36%	29%	33%	46%
1984*										
1ST QUARTER	38%	73%	33%	35%	85%	47%	41%	36%	39%	45%
2ND QUARTER	37%	56%	26%	22%	79%	40%	33%	28%	30%	38%
3RD QUARTER	36%	60%	30%	26%	82%	42%	28%	22%	25%	38%
4TH QUARTER	31%	61%	32%	33%	83%	41%	28%	22%	25%	37%
1985*										
1ST QUARTER	41%	63%	35%	34%	86%	46%	30%	16%	22%	39%
2ND QUARTER	31%	62%	38%	33%	83%	43%	29%	16%	22%	37%
3RD QUARTER	33%	63%	35%	25%	83%	42%	27%	14%	20%	36%
4TH QUARTER										

SOURCE: NATIONAL FOREST PRODUCTS ASSOCIATION

* SUBJECT TO REVISION.

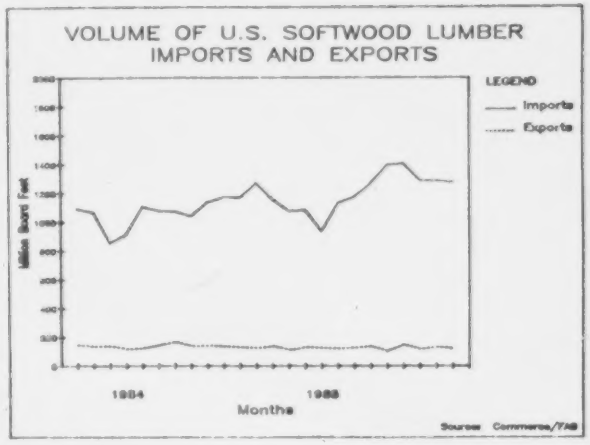
** INCLUDES APPALACHIAN HARDWOOD AND ALL OTHER.

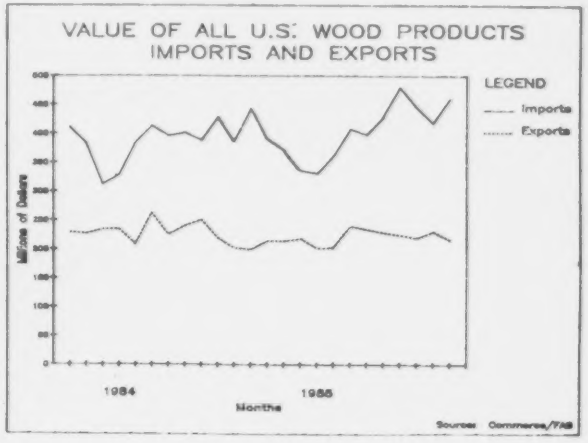
NOTE: DETAILS MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.

INTERNATIONAL TRADE STATISTICS

		VOLUME				VALUE (000$)			
		Sept. '85	9 mo. 1985	% Change From Aug. '85	% Change From 9 mo. 1984	Sept. '85	9 mo. 1985	% Change From Aug. '85	% Change From 9 mo. 1984
EXPORTS									
SOFTWOOD LUMBER	MMBF	119.6	1,127.8	-8.9%	-7.7%	38,600	370,488	-10.2%	-9.9%
To Canada	MMBF	26.4	227.9	-7.7%	-17.2%	6,592	57,340	-9.6%	-11.1%
SOFTWOOD LOGS	MMBF	324.9	2,828.4	1.0%	14.9%	98,323	887,375	-3.9%	9.8%
SOFTWOOD PLYWOOD	MMSF 3/8"	18.2	219.6	44.1%	-25.5%	4,168	51,897	11.2%	-24.6%
HARDWOOD LUMBER	MMBF	32.2	296.2	-10.4%	-17.5%	19,550	184,130	-13.4%	-14.6%
HARDWOOD LOGS	MMBF	4.3	37.1	-7.9%	-41.8%	2,812	68,873	-10.7%	-13.7%
HARDWOOD VENEER	MMSFsurf	71.4	371.7	38.7%	-27.5%	5,862	45,816	46.1%	-28.5%
PARTICLEBOARD	MMSF 3/4"	9.4	80.7	-8.3%	-3.9%	1,967	16,234	7.4%	-22.0%
ALL OTHER		NA	NA	NA	NA	43,544	363,156	-3.5%	2.7%
TOTAL U.S. EXPORTS		NA	NA	NA	NA	216,245	2,001,686	-6.4%	-1.9%
IMPORTS									
SOFTWOOD LUMBER	MMBF	1,273.1	11,152.7	-0.7%	12.0%	257,467	2,212,404	-2.4%	8.3%
From Canada	MMBF	1,259.7	11,091.2	-1.5%	11.8%	254,769	2,199,689	-3.0%	8.1%
SOFTWOOD LOGS	MMBF	16.7	55.4	470.3%	-40.8%	3,261	13,802	442.6%	18.0%
SOFTWOOD PLYWOOD	MMSF 3/8"	10.1	64.4	76.9%	8.5%	2,478	15,772	115.1%	21.3%
HARDWOOD LUMBER	MMBF	32.6	287.3	35.2%	16.4%	18,001	144,390	52.6%	9.7%
HARDWOOD LOGS	MMBF	0.5	18.5	-91.8%	-13.1%	120	2,640	-62.7%	-21.1%
HARDWOOD VENEER	MMSFsurf	116.0	1,054.8	-7.4%	-12.3%	8,607	76,805	-7.7%	-23.9%
HARDWOOD PLYWOOD	MMSF 3/8"	323.7	2,652.3	61.3%	13.2%	42,320	335,328	75.8%	0.6%
HARDBOARD	MMSFsurf	91.2	570.2	51.0%	173.6%	4,955	39,150	33.2%	17.3%
PARTICLEBOARD	MMSF 3/4"	52.9	418.3	14.9%	8.7%	13,849	102,574	15.7%	5.1%
ALL OTHER		NA	NA	NA	NA	108,966	787,290	20.3%	-1.1%
TOTAL U.S. IMPORTS		NA	NA	NA	NA	460,392	3,733,519	10.2%	4.6%

Note: Volume total is not possible because the products are in different units of measure.



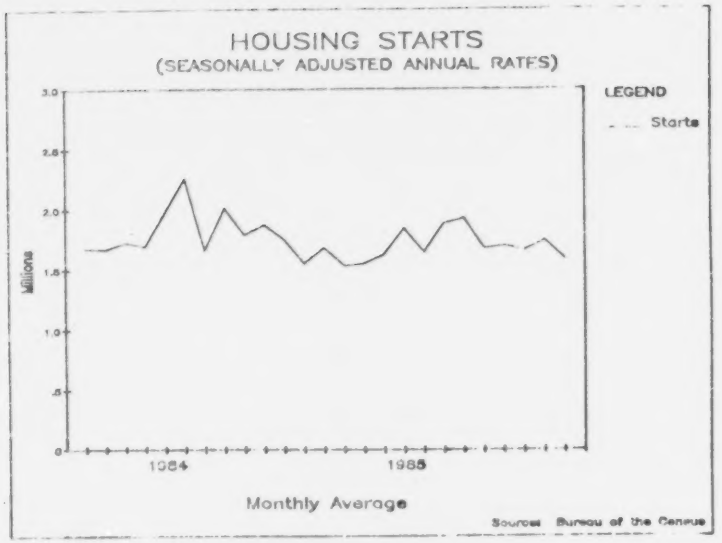


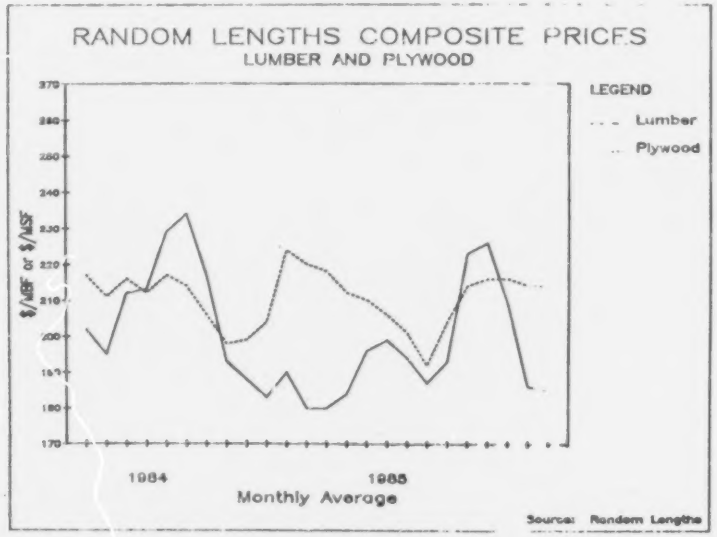
CONSTRUCTION AND HOUSING STATISTICS

	CURRENT			YEAR-TO-DATE	
	Latest Month Available	% Change From		Latest Period Available	% Change From
	Sept. '85	Aug. '85	Sept. '84	9 mo. '85	9 mo. '84
	(Billions of Dollars)				
VALUE OF ALL NEW CONSTRUCTION PUT-IN-PLACE	33.0	2.2%	12.1%	253.9	10.3%
Private	26.2	2.7%	12.2%	207.5	9.9%
Residential	14.0	0.0%	12.0%	110.4	7.0%
Nonresidential & Other	12.2	5.1%	12.4%	97.1	13.3%
Public	6.9	3.0%	13.4%	46.4	12.8%
	Sept. '85	Aug. '85	Sept. '84	9 mo. '85	9 mo. '84
	(Thousands of Units)				
NEW HOUSING UNITS STARTED					
Total Private & Public	143.9	-9.4%	-4.5%	1,496.3	-2.2%
New Private Starts	144.9	-9.8%	-4.9%	1,493.3	-2.0%
Seas. Adj. Annual Rate	1589	-8.7%	3.5%		
One-Family Housing Starts	89.3	-10.3%	-2.8%	932.6	-0.9%
Proportion of Total	61.2%			62.3%	
	(Number of Units)				
SHIPMENTS OF MOBILE HOMES	24,500	-11.6%	0.8%	218,100	-4.7%

EMPLOYMENT STATISTICS

		% Change From	
	Sept. '85	Aug. '85	Sept. '84
	(Thousands of Employees)		
TOTAL EMPLOYMENT (Seasonally Adj.)			
All Industries	98,115	0.1%	3.1%
All Manufacturing Industries	19,272	-0.5%	-2.1%
Lumber and Wood Products	702	0.3%	-1.1%
Furniture and Fixtures	495	-0.8%	1.6%





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NFPA Economics Monthly
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Volume I Number 9 December, 1985

ITC REFINES U.S. AND CANADIAN PRODUCTIVITY NUMBERS

In October of this year, the International Trade Commission issued an updated "332" investigation, requested by the United States Trade Representative to identify the facts and circumstances surrounding Canadian imports of softwood lumber to the United States. Both the U.S. Coalition for Fair Lumber Imports and the Canadian industry found elements supporting their respective viewpoints in the October report. The report concluded that stumpage prices and delivered log prices were on average lower in Canada than in the United States. But the October report also concluded that productivity in the Canadian lumber industry was higher than in the United States. This finding provoked some controversy since many in the U.S. industry have claimed that domestic productivity had increased dramatically since the 1970's.

In December, the ITC issued revisions to several sections of its report. This ITC paper further analyzes productivity in the United States and Canadian industries. The ITC refinement of the productivity measures is significant because Canada has argued that factors other than lower stumpage prices have resulted in greater exports to the U.S. Among those factors, they argue, is the higher productivity and greater efficiency of the Canadian industry. A significantly more productive Canadian industry would explain why they have been able to export so much wood at more competitive prices, and would undercut U.S. assertions that differences in stumpage pricing practices were the cause of the Canadian success.

The refinement of the productivity issue was made because questions were raised about the original 332 report. Pressed by the U.S. Coalition for Fair Lumber Imports, the ITC subsequently conducted a much more thorough examination of existing data sources on employment, production, value added and hours worked in the softwood lumber industry.

Bureau of Labor Statistics and Commerce Statistics Vary

Data on U.S. employment originates with two agencies: the Bureau of Labor Statistics (BLS) and the Bureau of the Census (Census). Both agencies issue employment figures: BLS does so monthly, Census annually. BLS obtains data from state governments, which are required to collect employment information for state and federal employment insurance programs, and then factors in corporate head offices and non-production facilities. The Bureau of the Census, on the other hand, collects its information directly from reporting establishments. Every five years the agency conducts a complete canvass of every industry, and updates this information yearly by a sample survey.

The ITC Needed to Make Adjustments to Compare U.S. and Canadian Data

Attempting to isolate softwood lumber employment from broader categories which include other wood products is difficult task, given the diversity and broad geographical dispersal of the U.S. industry. Comparing employment (and

MONTHLY STATISTICAL HIGHLIGHTS

Production and shipments of softwood lumber were up in October from September levels, 6.2% and 1.4% respectively.

The wood products trade deficit through ten months of 1985 was $1,963,631,000.

Structural panel production through ten months of 1985 totaled 19,586 million square feet, 3% ahead of last year.

After having slipped in September, the annual rate of new housing starts rose 9.0% in October to 1,761,000 units.

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hence productivity) between the U.S. and Canada is also made difficult because exactly comparable data for the two countries do not exist. The ITC, however, made adjustments in order to address the productivity question. As a result, the agency has generated new data on average mill efficiency and productivity and identified some important differences between the U.S. and Canadian softwood lumber industries.

On Average, U.S. Mills are Smaller and Less Specialized

The industries in the two countries differ in some important respects. First, the United States has more softwood lumber producers than does Canada, and they are, on average, smaller in size. Sixty percent of Canada's lumber producing mills have a capacity of 25 million board feet or more, whereas only 20 percent of U.S. mills fit that description. The Canadian industry is therefore more concentrated.

Secondly, U.S. mills tend to be more diverse in product output than Canadian mills. Often, U.S. mills produce both hardwoods and softwoods in a wide range of products. Custom milling is frequent. In Canada, lumber mills generally produce only softwood lumber, and then mostly in sizes geared to the construction industry.

Lastly, many species of U.S. lumber carry a higher market value. On average, value-added by U.S. lumber producers is higher than in Canada. Douglas fir and western hemlock, for example, have a higher value than the spruce-fir of interior British Columbia.

In comparing the industries between the two countries, the ITC notes that Canada has increased the number of establishments between 1977 and 1984 by 85 mills. Comparing the same two years in the United States, they found a net decrease of 629 establishments. According to the ITC, 2,856 establishments produced softwood lumber in 1984. This suggests an average production per mill of 13.1 thousand board feet, 34 percent lower than the 19.9 thousand board feet average in Canada.

Average Output Per Mill in Canada is Higher By Six Percent

Average production per employee in the United States was 367,821 thousand board feet in 1984. This has been increasing at an average annual rate of 4.8 percent since 1977. Canadian production per employee averaged 463,962 board feet in 1984. Canadian output per employee was 6 percent higher than in the United States. However, the higher ratio is explained by the larger mill size, which enables greater efficiencies and specialization. (Table 1.)

Table 1: Comparison of U.S. and Canadian sawmill and productivity statistics.

COMPARISON OF U.S. AND CANADIAN PRODUCTIVITY STATISTICS

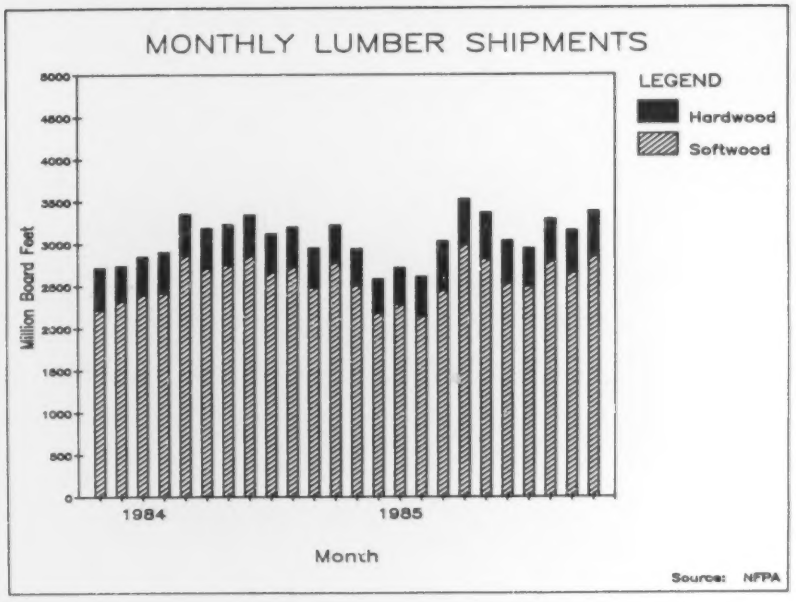
	UNITED STATES				CANADA			
	Number of Mills	Number of Employees	Employees per Mill	MBF per Employee	Number of Mills	Number of Employees	Employees per Mill	MBF per Employee
1977	3,485	119,553	34	275,443	947	49,794	53	345,925
1978	3,493	114,165	33	291,666	1,042	55,733	53	330,360
1979	3,521	120,100	34	270,908	1,089	56,106	52	329,626
1980	3,481	110,389	32	247,633	1,062	52,597	50	347,851
1981	3,333	99,542	30	258,856	941	44,245	47	372,742
1982	2,918	79,073	27	318,023	900	38,817	43	400,550
1983	2,855	85,609	30	369,260	1,045	46,321	44	435,985
1984	2,856	89,133	31	367,821	1,032	44,374	43	463,962

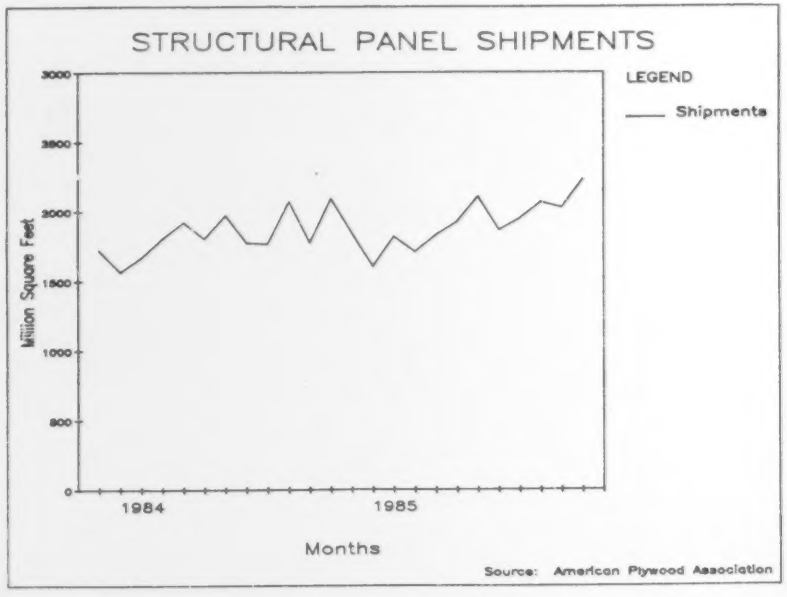
Source: U.S. International Trade Commission

ECONOMICS MONTHLY
December, 1985

MONTHLY STATISTICS FOR THE WOOD PRODUCTS INDUSTRY

	ESTIMATED INDUSTRY TOTALS BY PRODUCING REGION				
	OCTOBER 1985			OCTOBER 31, 1985	
	Production	Shipments	Orders Received	Unfilled Orders	Gross Stocks
SOFTWOOD LUMBER		(Million Board Feet)			
Southern Pine Region	944	915	924	628	1,876
Douglas Fir Region	744	684	659	538	960
Western Pine Region	866	835	816	441	1,328
California Redwood Region	159	137	135	87	382
Other Softwoods	139	131	129	243	304
TOTAL SOFTWOODS	2,852	2,702	2,663	1,937	4,850
% Change - September 1985	6.2%	1.4%	-1.3%	-2.0%	3.2%
% Change - October 1984	5.6%	-2.1%	-2.9%	-4.3%	0.6%
HARDWOOD LUMBER					
Southern Hardwood Region	259	252	245	227	856
Appalachian Hardwood Reg.	43	41	41	*	*
Other Hardwoods	233	226	220	150	1,064
TOTAL HARDWOODS	535	519	506	377	1,920
% Change - September 1985	3.5%	3.4%	3.7%	-3.3%	0.8%
% Change - October 1984	4.5%	9.7%	5.9%	5.6%	11.0%
TOTAL LUMBER	3,387	3,221	3,169	2,314	6,770
% Change - September 1985	5.7%	1.7%	-0.6%	-2.2%	2.5%
% Change - October 1984	5.4%	-0.4%	-1.6%	-2.8%	3.3%
* Included in Other Hardwoods					
FLOORING		(Thousand Feet)			
Oak Flooring (Bd. Ft.)	NA	12,447	NA	4,228	6,014
Maple Flooring (Sq. Ft.)	1,048	1,187	1,210	3,664	1,553
STRUCTURAL PANELS	2,264,031	2,226,913	2,041,669	683,301	321,276
% Change - September 1985	14.5%	10.2%	-7.6%	-21.3%	1.4%
% Change - October 1984	5.2%	6.5%	6.0%	68.1%	-4.5%





YEAR-TO-DATE PRODUCTION, SHIPMENTS, AND ORDERS

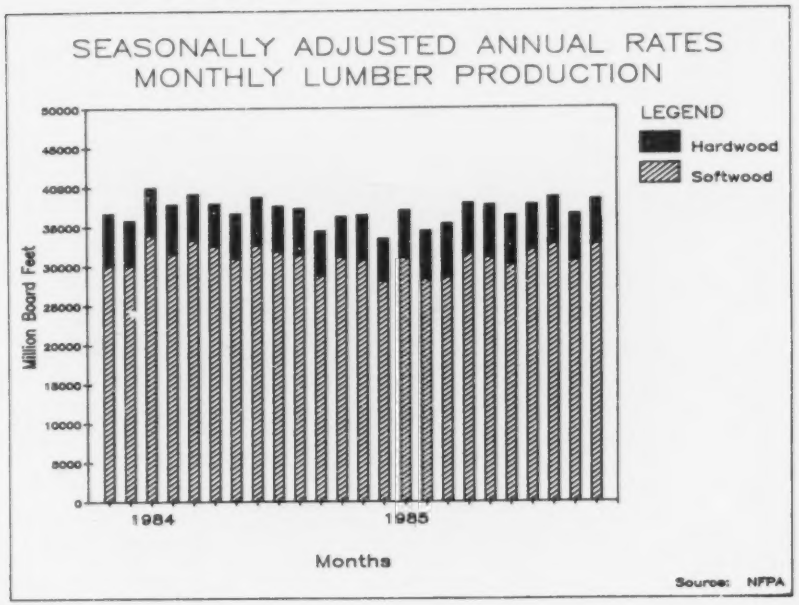
	PRODUCTION		SHIPMENTS		ORDERS RECEIVED	
	Latest Period Available	% Change	Latest Period Available	% Change	Latest Period Available	% Change
	10 mos.'85	10 mos.'84	10 mos.'85	10 mos.'84	10 mos.'85	10 mos.'84
	(Million Board Feet)					
TOTAL LUMBER	31,576	-1.4%	31,161	-1.5%	31,226	-0.3%
TOTAL SOFTWOOD	26,033	-2.6%	25,777	-2.8%	25,837	-1.6%
TOTAL HARDWOOD	5,543	4.7%	5,384	5.5%	5,389	6.9%

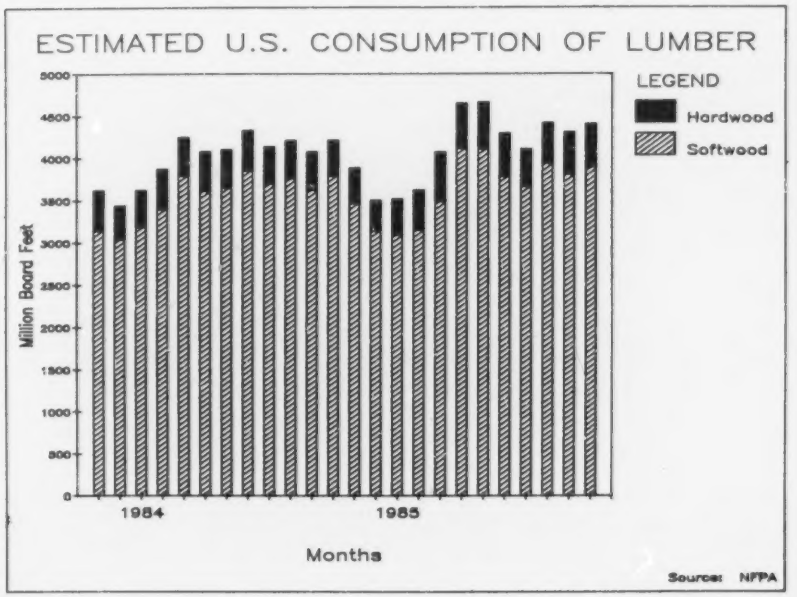
SEASONALLY ADJUSTED ANNUAL RATES

	PRODUCTION			SHIPMENTS		
		---% Change From--			---% Change From--	
LUMBER REGION	Oct. '85	Sept.'85	Oct. '84	Oct. '85	Sept.'85	Oct. '84
	(Million Board Feet)			(Million Board Feet)		
Southern Pine	10,637	-1.8%	-0.5%	10,558	-3.9%	-3.6%
Douglas Fir	9,027	16.3%	10.9%	8,139	4.6%	-7.4%
Western Pine	9,767	10.0%	9.1%	9,516	8.3%	5.2%
Calif. Redwood	1,744	-3.0%	2.6%	1,485	-11.0%	-4.9%
Other Softwoods	1,575	6.3%	6.1%	1,503	1.1%	-2.2%
TOTAL SOFTWOODS	32,750	6.5%	5.7%	31,220	1.6%	-2.2%
TOTAL HARDWOODS	5,676	-3.9%	4.5%	5,751	-2.2%	9.7%
TOTAL LUMBER	38,426	4.8%	5.5%	36,971	1.0%	-0.5%

U.S. LUMBER CONSUMPTION

	CURRENT			YEAR-TO-DATE	
	Latest Month Available	----% Change From----		Latest Period Available	% Change From
	Oct. '85	Sept. '85	Oct. '84	10 mos.'85	10 mos.'84
	(Million Board Feet)				
Total Consumption	4,410	2.1%	4.3%	42,360	2.8%
Softwood Consumption	3,903	2.2%	3.3%	37,003	2.0%
Hardwood Consumption	506	1.0%	12.9%	5,357	8.9%

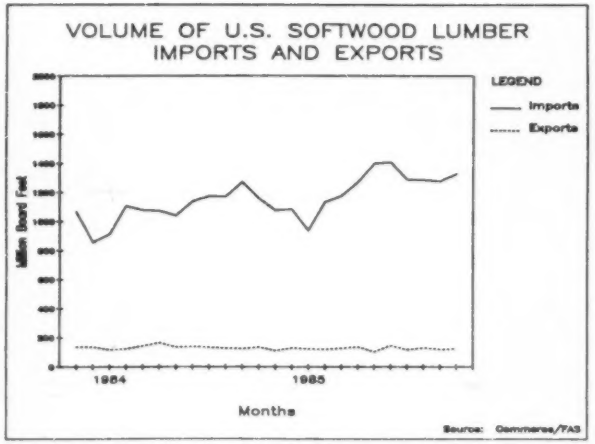


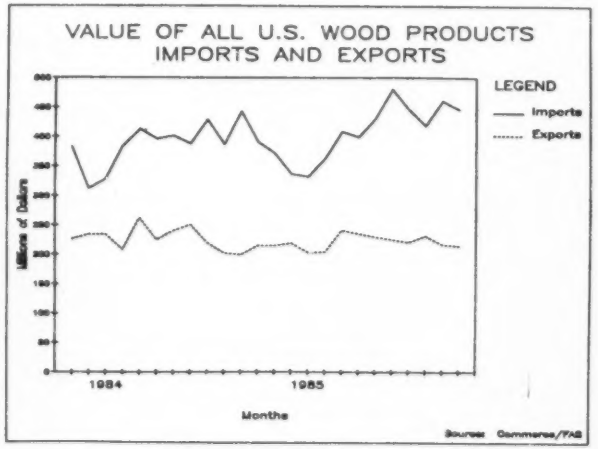


INTERNATIONAL TRADE STATISTICS

		VOLUME				VALUE ($000)			
		Oct. '85	10 mo. 1985	% Change From Sept.'85	% Change From 10 mo. 1984	Oct. '85	10 mo. 1985	% Change From Sept.'85	% Change From 10 mo. 1984
EXPORTS									
SOFTWOOD LUMBER	MMBF	124.1	1,251.8	3.8%	-7.8%	39,711	410,199	2.9%	-9.7%
To Canada	MMBF	29.5	257.4	11.5%	-13.5%	7,014	64,354	6.4%	-8.1%
SOFTWOOD LOGS	MMBF	303.9	3,132.3	-6.5%	14.1%	93,579	980,954	-4.8%	9.8%
SOFTWOOD PLYWOOD	MMSF 3/8"	14.7	234.4	-18.9%	-24.2%	3,661	55,558	-12.2%	-23.2%
HARDWOOD LUMBER	MMBF	37.4	333.7	16.3%	-16.9%	23,786	207,916	21.7%	-14.4%
HARDWOOD LOGS	MMBF	7.0	94.1	64.1%	-45.5%	5,220	74,093	85.6%	-16.8%
HARDWOOD VENEER	MMSFsurf	71.2	642.9	-0.4%	-26.9%	5,431	51,247	-7.4%	-28.1%
PARTICLEBOARD	MMSF 3/4"	14.0	94.6	48.9%	2.3%	2,656	18,890	35.0%	-17.4%
ALL OTHER		NA	NA	NA	NA	38,785	401,951	-10.9%	3.8%
TOTAL U.S. EXPORTS		NA	NA	NA	NA	213,995	2,215,681	-1.0%	-1.8%
IMPORTS									
SOFTWOOD LUMBER	MMBF	1,325.3	12,754.0	4.1%	2.5%	265,281	2,477,685	3.0%	9.5%
From Canada	MMBF	1,318.7	12,409.9	4.7%	12.0%	263,792	2,463,481	3.5%	9.4%
SOFTWOOD LOGS	MMBF	4.2	59.6	-74.8%	-44.8%	790	14,892	-75.8%	9.0%
SOFTWOOD PLYWOOD	MMSF 3/8"	9.4	73.8	-6.5%	12.2%	1,918	17,690	-22.6%	21.8%
HARDWOOD LUMBER	MMBF	25.1	312.4	-23.1%	14.3%	12,254	156,644	-31.9%	7.4%
HARDWOOD LOGS	MMBF	5.1	23.6	942.8%	0.3%	314	2,954	161.7%	-19.1%
HARDWOOD VENEER	MMSFsurf	122.7	1,177.6	5.8%	-9.9%	8,677	85,482	0.8%	-21.0%
HARDWOOD PLYWOOD	MMSF 3/8"	386.2	3,038.4	19.3%	17.6%	41,599	376,927	-1.7%	3.0%
HARDBOARD	MMSFsurf	74.0	644.2	-18.8%	181.7%	4,354	43,504	-12.1%	6.8%
PARTICLEBOARD	MSF 3/4"	53.5	471.8	1.0%	9.1%	14,378	116,952	3.8%	6.7%
ALL OTHER		NA	NA	NA	NA	96,007	883,297	-11.9%	-0.2%
TOTAL U.S. IMPORTS		NA	NA	NA	NA	445,793	4,179,312	-3.2%	5.6%

Note: Volume total is not possible because the products are in different units of measure.





CONSTRUCTION AND HOUSING STATISTICS

	CURRENT			YEAR-TO-DATE	
	Latest Month Available	% Change From		Latest Period Available	% Change From
	Oct. '85	Sept. '85	Oct. '84	10 mo. '85	10 mo. '84
	(Billions of Dollars)				
VALUE OF ALL NEW CONSTRUCTION PUT-IN-PLACE	32.3	-0.9%	12.2%	285.9	10.4%
Private	26.0	0.8%	11.6%	233.2	9.9%
Residential	13.9	0.0%	16.8%	124.3	8.0%
Nonresidential & Other	12.1	1.7%	6.1%	108.9	12.2%
Public	6.2	-8.8%	10.7%	52.5	12.3%
	Oct. '85	Sept. '85	Oct. '84	10 mo. '85	10 mo. '84
	(Thousands of Units)				
NEW HOUSING UNITS STARTED					
Total Private & Public	172.0	15.7%	39.0%	1,499.0	-9.4%
New Private Starts	171.9	16.4%	39.2%	1,613.8	-1.9%
Seas. Adj. Annual Rate	1761	9.0%	13.3%		
One-Family Housing Starts	105.1	16.9%	34.2%	1,002.9	-1.6%
Proportion of Total	61.1%			66.9%	
	(Number of Units)				
SHIPMENTS OF MOBILE HOMES	27,700	13.1%	0.0%	245,800	-4.2%

EMPLOYMENT STATISTICS

		% Change From	
	Oct. '85	Sept. '85	Oct. '84
	(Thousands of Employees)		
TOTAL EMPLOYMENT (Seasonally Adj.)			
All Industries	99,319	1.2%	4.0%
All Manufacturing Industries	19,475	1.1%	-1.2%
Lumber and Wood Products	720	2.6%	1.0%
Furniture and Fixtures	499	0.9%	1.5%